

**SUMMARY OF POSITIONS OF THE NEBRASKA RURAL INDEPENDENT  
COMPANIES REGARDING CONTRIBUTION REFORM FOR THE  
NEBRASKA UNIVERSAL SERVICE FUND**

The Nebraska Rural Independent Companies (NRIC) have consistently advocated for universal service objectives to be a joint federal and state responsibility. The Nebraska Universal Service Fund (NUSF) High-Cost Program has long supported deployment and maintenance of comparable telecommunications to high-cost customers in the State, and more recently the Nebraska Public Service Commission (Nebraska Commission) has added universal broadband for all Nebraskans as a primary objective of this Program.

NRIC's Policy Positions: NRIC supports the policies and goals set forth in the Nebraska Commission's *Order*.<sup>1</sup>

- a. All Nebraskans, regardless of location, are entitled to access to advanced telecommunications and information (broadband) services at reasonably comparable rates.<sup>2</sup>
- b. Continuation of NUSF support for the preservation and advancement of affordable voice service.
- c. Deployment of fiber-based technology represents the only scalable, future-proof network for broadband provision.
- d. Recipients must accept accountability requirements for their use of support.

NRIC's Contribution Reform Positions: NRIC believes that if the NUSF is to be stable and sustainable, the current revenue-based contribution mechanism must be replaced or modified. NRIC supports the Nebraska Commission's stated intention to move forward expeditiously with contribution reform and to not delay reform in anticipation of final action by the FCC in its reform docket that has been pending since 2002.

NRIC supports implementation of a connections-based contribution mechanism applicable to residential consumers, and continuation of the revenues-based contribution mechanism for business/enterprise and special access at least for a transition period. Specifically:

- A connection would be defined as "a wired line or wireless channel used to provide end users with access to any assessable service."

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<sup>1</sup> *In the Matter of the Nebraska Public Service Commission, on its own motion, to consider revisions to the universal service fund contribution methodology*, Application No. NUSF-100, Order Seeking Further Comments (April 5, 2016).

<sup>2</sup> *Neb. Rev. Stat.* § 86-323(2) (Reissued 2014).

- Assessable service would be defined as “a service which allows a connection to other networks through inter-network routing as a means to provide the telecommunications.”
- Currently, use of working telephone numbers for residential service and continued use of revenues for business and special is appropriate, but may need to be adjusted in the future for other protocols.
- To avoid intrusion on the interstate jurisdiction, NUSF assessments on connections should utilize either existing inter/intrastate usage factors applied to each assessable service derived from either FCC-established safe harbors, already reported inter/intrastate revenues splits or carrier-specific studies establishing intrastate usage.
- Implementation of a connections-based mechanism would not expand the types of assessable services nor disturb existing inter/intrastate usage splits used in the current revenues-based contribution mechanism.
- Continuation of revenues-based assessments on business and special access is supported by the following considerations:
  - Avoids a system in which business and special access users would otherwise contribute to the NUSF on a flat-rate per-connection basis.
  - Allows further study of the correct design for a connections-based mechanism applicable to multi-line business users and special access.
  - Provides stability for the NUSF during the transition to the connections-based mechanism for residential consumers.
- To the extent possible, data needed to implement a connections-based mechanism should be derived from existing sources, i.e. FCC Form 477.
- The Nebraska Commission should proceed with use of the CostQuest Associates’ State Based Cost Model in order to determine the annual and long-term size of the NUSF that is reasonably necessary to carry forward the statutory purposes of the NUSF.